ERM CLIENT ALERT

June, 2026

Anticipating US EPA action on PFAS

The government's proposed FY27 budget shows the priorities for action

Sustainability is our business

ERM

In March 2026 the Office of Management and Budget proposed the budget for the U.S. government for FY27. That budget, and supporting details provided by US EPA and other agencies show the direction the federal government intends to take on PFAS.

The EPA FY 2027 Congressional Justification defines two priority goals, one of which is "Reduce Per- and Polyfluoroalkyl Substances (PFAS) Risks to the Public. By September 30, 2027, strengthen the science, fulfill statutory obligations, enhance communication, and build partnerships."

The $4.2 billion in discretionary budget authority proposed for the Agency provides a sharp counterpoint to that ambition: it represents a 52% decrease from the budget for FY26.

US EPA's Focus in the Next Fiscal Year

The summary of proposed expenditures below is organized by PFAS life cycle and by regulation:

- **PFAS in products:** Toxic Substances Control Act; Federal Insecticide, Fungicide and Rodenticide Act
- **PFAS released from manufacturing operations:** Toxics Release Inventory; Clean Water Act; Clean Air Act
- **PFAS in the environment:** Superfund sites
- **Supporting science:** relevant research programs

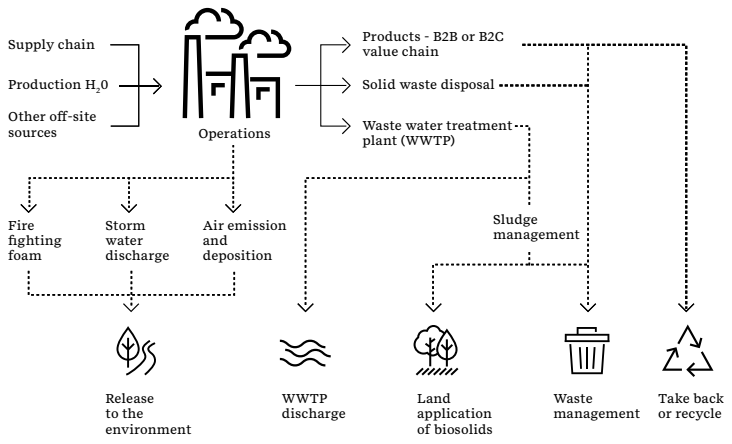
PFAS in products: Toxic Substances Control Act; Federal Insecticide, Fungicide and Rodenticide Act

The proposed budget represents a focus on:

- Completing risk evaluations of High Priority Substances and promulgating risk management actions in response to unreasonable risk; and
- Speeding up the review of new chemical substances, including the development and application of new approach methodology (NAM) to reduce the backlog of new chemicals and accelerating the use of AI approaches in chemical evaluations.

The budget justification contains few references to PFAS actions under the Toxic Substances Control Act (TSCA). It contains a brief reference to the Section 8(a)(7) requirement that industry report on the manufacture (including import) of PFAS as substances, mixtures, or in articles. Referring to the revisions to that reporting rule currently in progress, the budget justification notes that the Agency intends on "making use of PFAS information submitted pursuant to EPA TSCA Section 8(a)(7) PFAS Data Reporting rule expected to be published in FY 2026." Under TSCA, the US EPA will also continue "to support EPA priorities on reducing PFAS contamination, including implementing a PFAS testing strategy to seek scientific information informed by hazard characteristics and exposure pathways; and prioritizing risk-based reviews of new and existing PFAS."

In summary, the proposed budget reflects a decrease in expenditures on TSCA compared to FY26 and a priority on the review of new chemical substances under TSCA. The plan and resources for acting on PFAS data compiled under Section 8(a)(7) are unclear. **The budget justification suggests that regulation of PFAS in products will be a relatively low priority in the near term.**



The Consumer Product Safety Commission (CPSC) also has some jurisdiction over chemicals in products. In previous years, the Commission has researched the uses of PFAS in consumer products and taken the initial steps in a Screening Level Hazard and an Exposure and Risk Analysis, documenting the latter in a 2025 report. A previous budget proposal indicated the intent to develop performance standards for PFAS and other chemicals in consumer products.

The CPSC's Performance Budget Request to OMB & Congress for FY 27 does not include any budgetary requests explicitly related to PFAS

PFAS released from manufacturing operations: Toxics Release Inventory; Clean Water Act; Clean Air Act

The proposed budget for administering the Toxics Release Inventory (TRI) program represents an increase over the FY26 enacted budget. The budget notification acknowledges that the National Defense Authorization Act (NDAA) of 2020 requires the US EPA to annually assess PFAS for inclusion in the Section 313 chemical list under NDAA Section 7321(c), which has resulted in the addition of 205 PFAS to the TRI program since 2020. With respect to the potential for further additions of PFAS, the US EPA notes that the "TRI Program will additionally pursue chemical listings important to the Agency."

Discussions of the proposed budget are largely silent on activities under the Clean Air Act, with the exception of research described below.

The budget justification does not address initiatives related to PFAS in wastewater under the Clean Water Act other than research activities described below.

PFAS in the environment: Superfund sites

Cleanup of PFAS in the environment earned only brief mentions in the proposed budget. The Agency intends to **"move swiftly to support the cleanup"** of PFAS and meet oversight obligations for Superfund sites that are the responsibility of federal facilities. With respect to funding, the proposed budget notes that **"Congress imposed large taxes in IIJA [Infrastructure Investment and Jobs Act] and the Inflation Reduction Act to finance most of the Superfund program. Between the $1.7 billion in taxes estimated to be available in 2027, litigation recoveries from responsible parties, and $290 million in 2027 appropriations, there is no need for additional funding for Superfund cleanup, which is reflected in the Budget."**

Research Activities

The Agency intends to perform basic research to support actions on PFAS in the environment. The proposed budget reflects commitments to improve analytical methods, monitor PFAS in the environment, and assess risk, as summarized in Table 1.

Table 1: FY27 PFAS Research Plans

Program area	Research
Air quality	• Continued monitoring of PFAS as part of the Clean Air Status and Trends Network (CASTNET), including assessment of PFAS impacts on air and water quality through atmospheric deposition. • The Air and Energy (AE) Research Program will continue to address emerging air pollution challenges related to PFAS air emissions, including prior and ongoing efforts to measure PFAS in ambient outdoor air using chemical ionization mass spectrometry.
Wastewater / biosolids	• Continue work related to PFAS in biosolids, including development of analytical methods for PFAS precursors in biosolids. • Collaborate with the Department of War on efforts to develop an analytical method for certain PFAS compounds in wastewater. • Ongoing evaluation of anaerobic biotreatment of perfluorooctanoic acid (PFOA) and other PFAS in wastewater biosolids. • Continued reevaluation of the Draft Risk Assessment for PFAS in biosolids

Contaminated sites and related environmental activities	• The Sustainable and Healthy Communities (SHC) Research Program will continue PFAS related work, including:
	  • developing methods to evaluate PFAS in waste, soil, sediment, groundwater, and homes;
	  • investigating PFAS fate and transport in the environment and its disposal and destruction; and
	  • evaluating multimedia PFAS sources and pathways for human exposure to identify contributors to potentially high PFAS exposure in children and other populations.
	• Continued technical support for PFAS through Superfund Technical Support Centers and maintenance of PFAS related analytical tools used to support investigation and cleanup activities.
	• Science-to-Achieve-Results (STAR) funding for research to help farmers, ranchers, and rural communities to manage PFAS impacts.
	• Continue National Aquatic Resource Surveys (NARS) analysis of fish tissue for contaminants including PFAS. Continue reporting PFAS levels in fish collected nationwide.

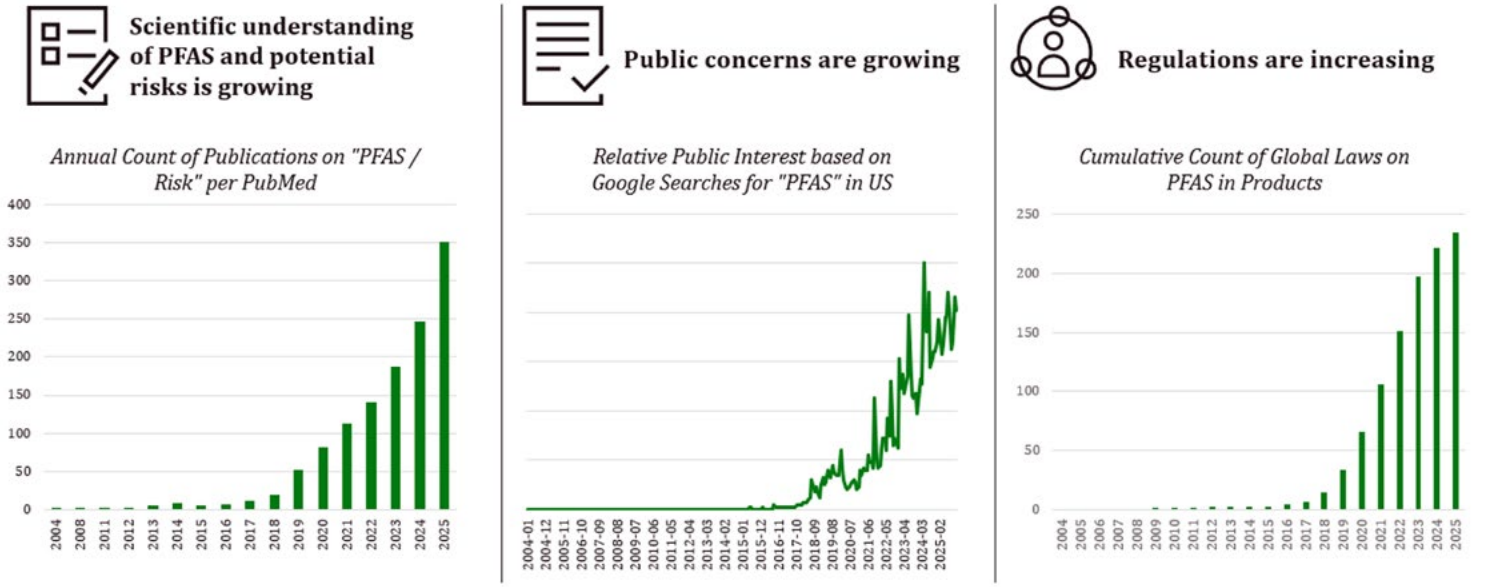
Program area	Research
Chemical safety / toxicity assessment	• The Chemical Safety for Sustainability (CSS) Research Program will continue to emphasize research on PFAS, including development of toxicity values to support contamination response and regulatory decision making. • Human Health Effects Research and Assessment (HERA) activities will prioritize development of peer reviewed PFAS toxicity values to support federal, state, and Tribal risk assessment and management decisions. • Continue "fit for purpose" PFAS assessments intended to improve the efficiency and scientific defensibility of evaluations supporting multiple program needs, including contaminated site investigations. • Continue to develop analytical methodologies, including quantification of PFAS residues in pesticide formulation.
Drinking water	• Continue PFAS research focused on drinking water treatment, including development and evaluation of analytical methods, treatment approaches, and destruction and disposal technologies. • Drinking water research will support technical assistance to states, Tribes, and local communities addressing PFAS contamination, including activities related to source water and treatment system resilience. • PFAS related drinking water research will be conducted alongside broader drinking water program efforts to address contaminants of emerging concern.

Navigating PFAS Challenges

In the coming fiscal year, US EPA intends to reduce PFAS risks to the public by strengthening the science, fulfilling statutory obligations, enhancing communication, and building partnerships. It will do so, under the proposed budget, with a sharply reduced workforce and decreased funding for relevant programs.

Meanwhile, companies will face continued pressure from growing knowledge of the health effects of exposure to PFAS, expanding legislation (state and global), and public concerns that can sometimes result in litigation (See Figure 1). Those pressures demand attention even in the absence of strong federal action in the United States.

Figure 1: Growing pressures on PFAS



Graphs illustrate trends 2004-2025 based on data accessed 2.25.2026. Regulatory trends obtained from Microsoft Copilot for illustration only and not for compliance purposes. [5]

Creating resilient response strategies that manage risk

In our work with companies across sectors, ERM has found these best practices to be crucial to a resilient PFAS strategy:

1. **Assess and articulate risk tolerance** – This recommendation remains unchanged from our previous client alerts in this series on PFAS because it is so crucial. Different companies have varying appetites for compliance and business risk related to PFAS. Companies producing consumer products found in many homes – and sometimes the targets of lawsuits – often take a more conservative approach. Others, including those who manufacture goods for B2B customers, are more willing to accept some business risk and simply aim for a compliance program that is defensible under regulatory standards.
2. **Assess the landscape** – This recommendation, too, remains unchanged. In the face of uncertainty at the US Federal level, other parties may drive both strategy and action. Some US states are moving ahead to regulate PFAS in various contexts. Customers and certain middlemen, from retailers to insurance companies, have their own "PFAS free" demands. Finally, consider trends in litigation over PFAS in products or from suspected environmental releases. The prospect of litigation has led many companies to assess their use and potential emissions of PFAS.

3. **Compile supply chain data and prepare for strategic reporting** – Legislation in several states requires companies to report on PFAS in products and in some cases to label PFAS-containing products. Requirements to report PFAS under TRI continue to expand. The information from these programs will be publicly available. For some companies, this data may draw unwanted attention to their operations. It's prudent to anticipate reactions to published data and to develop a strategy to respond, including communications and the potential to seek out reformulated materials.

HOW ERM CAN HELP

ERM works with global clients across the full value chain to develop and implement PFAS strategies that build long-term business resilience. We are closely following the latest regulatory developments and strategically advising our clients on compliance strategies. We work with our clients to improve confidence and accuracy in data and reporting. And when strategic action goes beyond reporting to reformulating, we help our clients to avoid regrettable substitution in identifying alternatives to PFAS.

Our team's deep experience with identifying and tracking PFAS in supply chains and product portfolios makes us an excellent partner to help you:

1. Determine and articulate risk profile
2. Identify PFAS in the supply chain
3. Assess regulatory requirements on PFAS in products and operations
4. Assist with reporting under TRI and TSCA for US-based operations
5. Evaluate business risks related to PFAS in raw materials, products or operations, and the resulting potential for environmental release/exposure
6. Assess hazards and risks of both PFAS and potential substitutes
7. Assess "PFAS-free" claims or support messaging
8. Evaluate the potential for PFAS to be emitted from site operations to contaminate drinking water sources or other environmental media
9. Assess the potential business risks from PFAS in the context of mergers and acquisitions

This client alert was developed with support from Ariel Waldman. For more information, contact your current ERM consultant or any of our experts:

Kathleen Sellers, PE
Sustainable Products and Supply Chain Lead, Technical Partner
kate.sellers@erm.com

Lori Dinkelmann
EPCRA/TRI Reporting Lead, Partner
lori.dinkelmann@erm.com

Sustainability is our business